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MICHAEL WOFSEY 1927-1951
DAVID M. ROSEN 1948-1967
JULIUS B. KURIANSKY 1952-1992
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February 20, 2009

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Senator Edward Meyer
Chair: Environment Committee
State of Connecticut
Legislative Office Building
Room 3200
Hartford, CT 06106

Representative Richard Roy
Chair: Environment Committee
State of Connecticut
Legislative Office Building
Room 3201
Hartford, CT 06106

Representative Lawrence Cafero
6 Weed Avenue
Norwalk, CT 06850

Senator John McKinney
300 Southgate Lane
Southport, CT 06890

Members of the Environment Committee
State of Connecticut Legislative Office Building
Room 3200
Hartford, CT 06106

Dear Ladies and Gentlemen:

We are writing in respect to Governor's Bill No. 6371 and, in particular, proposed Section 72, a copy of which we enclosed. Proposed Section 72 would impose a "shellfish harvest fee of \$1.00 per bushel upon each person or company harvesting shellfish from Connecticut waters." Such tax would impose a devastating,

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perhaps crushing, blow on Connecticut's oyster industry.

We are writing on behalf of your constituents, the Bloom Family, longtime residents and oyster farmers from Norwalk and those Connecticut oystermen similarly impacted. Leslie B. Miklovich, Hillard B. Bloom and Penny Lynn Bloom are the children of Hillard E. Bloom. The family has been in the oyster business since 1947 and, to this day, remain among Connecticut's preeminent oyster farmers. The family's operating company is Hillard Bloom Shellfish, Inc., successor to Tallmadge Brothers, Inc. The company employs 42 people from facilities located in Norwalk and Bridgeport.

Shellfishing has had a long and storied history in Connecticut. The industry is one of Connecticut's oldest. Tallmadge Brothers, Inc. has been a mainstay of Connecticut's oyster farming industry for over 100 years.

Recent environmental problems in the Long Island Sound has made the industry an extremely fragile one. A combination of diseases, including Dermo, MSX Disease and other adverse conditions in the Long Island Sound have decimated the oyster crop. The last commercially meaningful oyster crop was in 1985.

Shellfish productivity has increased of late but during the interim the markets have disappeared. Because of the 20 plus year hiatus in productivity and because of the recent economic downturn, Connecticut oystermen face a diminished and diminishing demand for their product. The result of all these factors has been a precipitous downward pressure on prices. We ask that the Committee not add a tax to this delicate economic situation.

Further, the proposed legislation is fundamentally flawed in the manner in which it attempts to levy a tax. Oystermen do not sell their crop by the bushel. Rather, oysters and clams are sold by the count. In addition, placing a uniform \$1.00 charge does not take into account the vast range in product market value. Certain clams, chowder clams for example, sell at the rate of \$8.50 per 100 count. Were a

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\$1.00 surcharge imposed on the \$8.50 receipt, oystermen would be paying a 12% tax on each 100 count. Chowder clams sold in 50 count lots will incur a tax of roughly 24% of their market value. To make Connecticut shellfish more expensive, when Connecticut shellfishermen are already operating at a competitive disadvantage, would do little to further the health of the Connecticut economy.

In considering the impact of Section 72, please also be aware that the Commissioner of Agriculture has just recently increased the tax burden on shell fisherman. Connecticut General Statutes §§26-207 and 26-208 impose a property tax of 2% on shellfishermen who own or operate franchise grounds – shellfish grounds which lie within the jurisdiction of the State of Connecticut. Within the last twelve months, the Commissioner of Agriculture has increased the assessed value of franchise grounds sixfold. As a result, the tax imposed by virtue of C.G.S. §§26-207 and 26-208 has increased sixfold. While oystermen are prepared to shoulder their portion of the tax burden, the imposition of two significantly increased tax fees within a twelve month period is more than a fair share.

We recognize that the State of Connecticut, like the rest of us, is in severe straits and in need of additional revenue. Yet, proposed Section 72 is a flawed effort. It imposes a burdensome tax on a fragile industry that has long been a part of Connecticut's history and economic strength. By paying an increased property tax, oystermen are already shouldering a goodly portion of today's economic burdens. To add another layer of tax would yet further increase the cost of Connecticut shellfish at a time when market prices generally are diminishing. The greater health of the Connecticut economy would be served by making Connecticut shellfish farming more competitive – not less.

On behalf of the Bloom Family, Hillard Bloom Shellfish, Inc. and shellfishermen similarly impacted by the proposed legislation, we respectfully request that Section 72 not proceed.

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We would be pleased to answer any questions that you or the Committee may have.

Respectfully submitted,

WOFSEY, ROSEN, KWESKIN & KURIANSKY, LLP

By: 
Marshall Goldberg

MG/wf

cc: Hillard Bloom Shellfish, Inc.
Representative Peggy Reeves - 4020
Representative Chris Perone - 4004
Representative Bruce Morris - 4054
Senator Andrew J. McDonald - 2500
Representative Terry Backer - 2102
Senator Bob Duff - 2400
Barbara Gordon, Executive Director - Seafood Counsel

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Representative Bruce Morris
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Senator Andrew J. McDonald
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Senator Bob Duff
State of Connecticut
Legislative Office Building
Room 2400
Hartford, CT 06106

Barbara Gordon
Executive Director - Seafood Council
Connecticut Department of Agriculture
Bureau of Aquaculture
P.O. Box 97
Milford, CT 06460

any waters described herein shall be fined not more than two hundred dollars or be imprisoned for not more than thirty days or both.

Sec. 72. (NEW) (*Effective October 1, 2009*) Any person, firm, corporation, franchise or other entity engaged in the harvesting of shellfish for wholesale or retail sale from shellfish grounds lying within the waters of this state shall pay to the Commissioner of Environmental Protection a fee of one dollar for each bushel bag or equivalent of shellfish harvested by such person, firm, corporation, franchise or other entity for wholesale or retail sale. Such fee shall be known as the "shellfish harvest fee" and be paid to the commissioner by the tenth day of each calendar month for all shellfish so harvested by such person, firm, corporation, franchise or other entity in the month previous. If such fee due is not paid on or before the date such fee becomes payable, the commissioner shall make and issue a warrant for the collection thereof, with interest thereon, at the rate of one per cent per month from the day such fee becomes payable until paid, with the expenses of such collection, which warrant shall authorize any reputable person named therein to seize any vessel, vehicle, equipment, dock, building, structure or any other asset or property owned and used by such person, firm, corporation, franchise or other entity for the harvest, storage, transport or sale of shellfish and to sell the same, or so much thereof as he may find necessary, at such time and place, in such manner and by such person as said commissioner may direct, whereupon such sale shall be so made, and such warrant shall be immediately returned to said commissioner by such person with all their doings endorsed thereon, and shall pay to said commissioner the money received upon such sale, and the commissioner shall apply the same to the payment of such fee and all the expenses thereon, including the expenses of such sale, returning any balance that remains to such owner or owners. All moneys received by said commissioner in payment of fees and interest shall be accounted for and deposited in the General Fund.

Sec. 73. Subsection (f) of section 22a-63 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

(f) Any person who is not certified as a commercial applicator who performs or advertises or solicits to perform commercial application of a pesticide, or any person possessing an operational certificate for commercial application under section 22a-54 who performs or advertises or solicits to perform any activity requiring a supervisory certificate for commercial application shall be assessed a civil penalty in an amount not less than one thousand dollars or more than two thousand dollars for each day such violation continues. For any subsequent violation, such penalty shall be not more than five thousand dollars. The Attorney General, upon complaint of the commissioner, may institute a civil action to recover such penalty in the superior court for the judicial district of Hartford. [Any penalties collected under this subsection shall be deposited in the Environmental Quality Fund established under section 22a-27g and shall be used by the commissioner to carry out the purposes of this section.]

Sec. 74. Subsection (h) of section 22a-174 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2009*):

(h) The commissioner may require, by regulations adopted in accordance with the provisions of chapter 54, payment of a fee by the owner or operator of a source of air pollution, sufficient